

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



September 15, 1998

ALL COUNTY LETTER 98-70

TO: ALL COUNTY WELFARE DIRECTORS  
 ALL CHIEF PROBATION OFFICERS  
 ALL COUNTY ADOPTION AGENCIES  
 ALL GROUP HOME PROVIDERS  
 ALL FOSTER FAMILY AGENCIES  
 ALL LOCAL MENTAL HEALTH DIRECTORS

**REASON FOR THIS TRANSMITTAL**

- ☒ State Law Change  
☐ Federal Law or Regulation Change  
☐ Court Order or Settlement Agreement  
☐ Clarification Requested by One or More Counties  
☒ Initiated by CDSS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN-FOSTER CARE AND  
 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN'S PROGRAMS'  
 RATES

REFERENCE: FISCAL YEAR 1998-99 BUDGET ACT  
 SENATE BILL 933 (CHAPTER 311, STATUTES OF 1998)  
 ASSEMBLY BILL 2779 (CHAPTER 329, STATUTES OF 1998)

SUPERCEDES: ALL COUNTY LETTER 98-27  
 ALL COUNTY INFORMATION LETTER I-27-94

This letter is to provide information on the impact of the Fiscal Year (FY) 1998-99 Budget Act, Assembly Bill (AB) 2779, and Senate Bill (SB) 933 on the rate structure for the Aid to Families with Dependent Children-Foster Care (AFDC-FC) and Seriously Emotionally Disturbed (SED) Children's Programs.

**FAMILY HOMES**

The FY 1998-99 Budget Act provides a 2.84 percent cost-of-living adjustment (COLA) pursuant to the California Necessities Index (CNI) for AFDC-FC family home basic rates. This COLA is in addition to the 6 percent increase provided for in AB 1391 (Chapter 944, Statutes of 1997) which was effective July 1, 1998. (Refer to ACL 98-27 dated May 4, 1998). The AFDC-FC/SED standardized basic rates for family homes, including small family homes, are retroactive to July 1, 1998, and are as follows:

<u>Age</u>	<u>0-4</u>	<u>5-8</u>	<u>9-11</u>	<u>12-14</u>	<u>15-18</u>
Family Home Basic Rates	\$375	\$408	\$436	\$483	\$528

Senate Bill 933 also contained a 6 percent increase for those counties which have rates higher than the standardized basic rates (Los Angeles, Marin, Orange, San Diego, San Mateo, and Santa Clara). These county rates are also increased an additional 1.42 percent pursuant to the CNI. Pursuant to Welfare and Institutions Code 11461(d)(2), counties which have higher than

the standardized rate receive only one half of the CNI increase. These rate increases are retroactive to July 1, 1998. The rates are as follows:

<u>Age</u>	<u>0-4</u>	<u>5-8</u>	<u>9-11</u>	<u>12-14</u>	<u>15-19</u>
Los Angeles Basic Rate	\$375	\$414	\$459	\$498	\$547
Orange County Basic Rate	375	409	436	576	576
San Diego Basic Rate	375	408	436	483	528
San Mateo Basic Rate	388	423	451	500	546
Santa Clara Basic Rate	375	408	459	483	528

<u>Age</u>	<u>0-4</u>	<u>5-6</u>	<u>7-12</u>	<u>13-19</u>
Marin Basic Rates	\$375	\$408	\$487	\$556

### **SPECIALIZED CARE:**

A 2.84 percent COLA is also provided for specialized care rates in the FY 1998-99 Budget. In addition, Assembly Bill (AB) 1391 (Chapter 944, Statutes of 1997) provided for a six percent increase to these rates which was effective July 1, 1998. (Please refer to ACL 98-27 dated May 4, 1998).

### **FOSTER FAMILY AGENCIES**

Senate Bill 933 provides for a six percent COLA for AFDC-FC Foster Family Agency (FFA) treatment and non-treatment rates. **Individual FY 1998-99 rate notification letters will be sent to FFAs beginning September 1998. It is the responsibility of each FFA to forward copies of its annual rate notification letter to all agencies from which it receives placements.**

The FFA treatment rate increases are retroactive to July 1, 1998. The COLA was applied to each component of the FFA treatment rates as follows:

<u>Age</u>	<u>0-4</u>	<u>5-8</u>	<u>9-11</u>	<u>12-14</u>	<u>15-18</u>
Basic Rate	\$366	\$398	\$424	\$471	\$513
Increment	186	186	186	186	186
Social Work	265	265	265	265	265
Administrative	<u>545</u>	<u>566</u>	<u>583</u>	<u>615</u>	<u>643</u>
Total Rate	\$1,362	\$1,415	\$1,458	\$1,537	\$1,607

The FFA non-treatment rate increases are retroactive to July 1, 1998. The FFA non-treatment rates are as follows:

<u>Age</u>	<u>0-4</u>	<u>5-8</u>	<u>9-11</u>	<u>12-14</u>	<u>15-18</u>
Basic Rate	\$366	\$398	\$424	\$471	\$513

Further, SB 933 provides a COLA for AFDC-FC FFA intensive treatment rates retroactive to July 1, 1998. The FFA intensive treatment rates are as follows:

<u>Rate Level</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Rate	\$3,957	\$3,628	\$3,290	\$2,970	\$2,639

### **GROUP HOMES**

Senate Bill 933 increases by 6 percent the group home standardized rate for each rate classification level (RCL) for FY 1998-99, retroactive to July 1, 1998. The new standardized schedule of rates is as follows:

Rate Classification Level	Point Ranges	FY 1998-99 Standard Rate
1	Under 60	\$1,254
2	60 – 89	1,567
3	90 – 119	1,879
4	120 – 149	2,191
5	150 – 179	2,502
6	180 – 209	2,815
7	210 – 239	3,127
8	240 – 269	3,440
9	270 – 299	3,751
10	300 – 329	4,064
11	330 – 359	4,375
12	360 – 389	4,688
13	390 – 419	5,003
14	420 & up	5,314

**Group home providers will receive individual FY 1998-99 rate notification letters beginning September 1998. It is the responsibility of each group home provider to forward copies of its annual rate notification letter to all agencies from which it receives placements.**

### **INFANT SUPPLEMENT**

Senate Bill 933 provides for a 6 percent COLA for the Infant Supplement rate retroactive to July 1, 1998. The rates are as follows:

Foster Family Home/FFA	\$345
Group Home	\$750

## **NEW GROUP HOME PROGRAMS**

Section 11462(k)(3)(A) of the Welfare and Institutions Code (WIC) extends the prohibitions in FY 1998-99 which prevents the CDSS from establishing a rate for a new group home program of a new or existing provider or approve an increase in licensed capacity from a program with a lower RCL. However, the CDSS may establish a rate for a new group home program or existing provider if certain criteria, as explained below under the Exceptions section, are met.

## **PROGRAM CHANGES**

Unchanged from FY 1997-98, WIC Sections 11462(k)(1) and (k)(3)(A) define the types of program changes that are subject to the freeze specified in WIC Section 11462(k)(2). For purposes of the freeze, a program change is defined as any alteration to an existing group home program that will increase the RCL or the AFDC-FC rate. Also included in this definition are any alterations that increase the licensed capacity of a program as a result of decreases in another program with a lower RCL or lower rate that is operated by that provider.

An increase in the licensed capacity or other alteration to an existing group home program that does not increase the program's RCL or AFDC-FC rate is not considered a program change. However, for rate setting purposes, these changes are still considered program changes and the appropriate applications must be submitted. When requesting a program change, group home providers must submit a complete program change application in accordance with Section 11-402.432 of the Manual of Policies and Procedures along with the additional documentation required by the Exceptions criteria indicated below, where applicable.

## **EXCEPTIONS TO PROGRAM CHANGE/NEW PROGRAM PROHIBITION**

WIC Sections 11462(k)(3)(A)(i) and (k)(3)(A)(ii) allow the CDSS to set a rate during FY 1998-99 for a new program of a new or existing provider and, a program change for an existing provider that either increases the program's RCL or AFDC-FC rate or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, if the provider meets **both** of the following conditions:

1. The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program; **and**

2. The county determines that there is no increased cost to the State General Fund.

The WIC Section 11462(k)(3)(B) also allows the CDSS to approve a rate request for a new program or program change, **not to exceed 25 beds**, if the following conditions are met:

1. The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program; **and**
2. The new program or program change will result in a reduction of referrals to state hospitals during the 1998-99 fiscal year.

### **INQUIRIES**

County staff should contact their Foster Care Funding consultant with questions regarding foster care rates at (916) 323-1263. Questions regarding specialized care rates should be directed to Greg Lim at (916) 445-7001. Group home and FFA providers with questions regarding this letter should contact their Foster Care Rates Consultant at (916) 323-1263.

Sincerely,

***Original Document Signed By  
Marjorie Kelly on 9/15/98***

MARJORIE KELLY  
Deputy Director  
Children and Family Services Division

c: CWDA  
California Association of Children's Homes  
California Association of Services to Children  
Residential Care Providers Association in Los Angeles County